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FM AMEMBASSY BAGHDAD
TO RUEHC/SECSTATE WASHDC 5476
INFO RUCNRAQ/IRAQ COLLECTIVE
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UNCLAS SECTION 01 OF 02 BAGHDAD 003031

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E.O. 12958: N/A

TAGS: [EAID](#) [EFIN](#) [ECON](#) [ETRD](#) [PGOV](#) [IZ](#)

SUBJECT: National Development Plan Workshop: First GOI Interagency
Discussions of a Vision and Objectives

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¶1. (SBU) Summary: At a November 5-8 workshop in Erbil, the Ministry of Planning and Development Cooperation (MoPDC) briefed other GOI ministries and the international community on progress on Iraq's National Development Plan (NDP) for 2010-2014. The NDP is a follow-on to the 2007-2010 National Development Strategy and is conceived as the mechanism around which the GOI will plan its national, sectoral, ministerial, and provincial development strategies. Attendance by most GOI ministries at the workshop demonstrated a clear interagency attempt to contribute to a shared plan and vision for Iraq's future. However, donor partners remain concerned as to how much long-term GOI support the NDP will enjoy and how the plan will tie into the budget process. End Summary.

NDP Workshop: Introduction and Vision

¶2. (SBU) The National Development Plan (NDP) Workshop, held in Erbil on November 5-8, focused on developing a vision and objectives for the GOI's five-year development plan for 2010-2014. The NDP is budgeted at \$200 billion dollars. The NDP is a follow-on to the 2007-2010 National Development Strategy and is conceived as the mechanism around which the GOI will plan its national, sectoral, ministerial, and provincial development strategies. The Ministry of Planning and Development Cooperation (MoPDC) is the lead GOI entity for preparing the plan. The original schedule called for the NDP to be published in final form in October 2009, but this deadline appears to have been pushed back to at least December.

¶3. (SBU) During the workshop's opening speeches, MoPDC Minister Ali Baban said Iraq needs to diversify its oil-dependent economy, attract foreign investment, and develop its agricultural, industrial, and hydrocarbon sectors. United Nations Population Fund Country Representative George Georgi noted that the NDP sets an agenda for the UN and Iraq to work together and opens the door for cooperation with Iraq's partners. MoPDC Deputy Minister Sami Matti, Head of the NDP technical committee, stated that the NDP must include the private sector's contribution to infrastructure and business development.

¶4. (SBU) MoPDC Chief of Staff Ahmed Alyassry told Econoff that he anticipated that the first draft of the NDP would be finished by the end of November and ready for submission to the Council of Ministers by mid-December. He said the key issues of the workshop were to set targets for the NDP, and discuss strategy.

NDP Objectives

¶5. (SBU) The NDP workshop examined a number of papers that outline Iraq's development objectives by economic sector. In agriculture, Iraq's objectives are to expand the sector's share in the economy and address food security. Specifically, the draft NDP calls for creating agriculture-related companies, increasing domestic

vegetable production, and reaching agreement with Iraq's neighbors on sharing of water resources. Additionally on water resource issues, the NDP goals are to build more dams, improve the country's irrigation infrastructure, complete the drainage system, and establish water rights.

¶6. (SBU) In the energy sector, the draft NDP's objectives are to boost oil production from the current level of 2.5 million barrels per day (mpd) to 4.5 million in 2014; raise oil refinery daily capacity from 0.85 million barrels mpd to 1.45 million mpd in 2016; reduce flared gas emissions; and raise crude oil storage capacity. Reduce flared gas emissions; and raise crude oil storage capacity. Iraq's objectives in the electricity sector are to improve its distribution of electricity and increase generation from 1,100 kilowatts per hour per capita (kw/hr) to 3,700 kw/hr, to address the gap between demand and supply.

¶7. (SBU) In the industrial sector, Iraq's goals are to develop an industrial labor force, rehabilitate state-owned enterprises and factories that are "economically feasible," and establish financing for the private sector. Transportation sector goals are to build more roads, bridges, and highway networks around cities, develop its railway network, and modernize harbors and airports to respectively handle larger vessels and more air traffic. Communication sector goals include expansion of the country's IT network, raising the percentage of Iraqis who have access to the internet and own a cell phone, and raising the per capita ratio of fixed-line telephones.

¶8. (SBU) Social objectives include developing a general strategy for reforming laws related to women's rights to provide greater gender equality in society. In the education sector, goals include eradicating illiteracy and raising the percentage of children going to primary school. In the health sector, objectives include raising

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the level of health for everyone and providing food safety. On labor, the objective is to lower the unemployment rate from the current 18 percent to seven percent.

Donor and UN reaction to NDP Workshop

¶9. (SBU) Comments at the workshop sessions highlighted the draft NDP's strong economic bent, focusing on investment. UNDP officials told Emboffs that the main contribution of the workshop was the consultative process and for the MoPDC to "get buy-in" from other GOI agencies. (Comment: The workshop's success in bolstering the NDP support among the government agencies may depend on whether the MoPDC incorporates suggestions from the line ministries into the final draft of the NDP. End comment.) Several donor countries commented that the funding of the NDP, which requires \$200 billion over five years, was not addressed at the conference. The GOI plans to use \$75-\$100 billion in public funding, with the rest of the NDP monies coming from private investment. Some workshop participants expressed concern that Iraq's economic growth might not lead to the amount of private investment needed for the plan. UN officials also stressed the view that the NDP should include Millennium Development Goals (MDGs) in its objectives for each sector. Other comments during the workshop's concluding session noted that the NDP objectives did not include the issues of governance, corruption, or security - and that not addressing these issues would affect the Plan's implementation. As a result, the MoPDC agreed to include a chapter on Good Governance and also accepted the Millennium Development Goals (MDGs) as a framework for social services delivery.

¶10. (SBU) MoPDC Deputy Minister Sami's concluding remarks noted that his ministry is currently revising all technical sector papers, taking input provided by various GOI agencies and donors at this workshop. Sami added that the MoPDC will now use these revised papers to produce a final NDP draft at the end of November. He noted that the technical papers for the sectors of tourism, culture and antiquities, the private sector, and housing and reconstruction are still being revised. The MoPDC is also studying over 4,000 submitted projects, with plans to attach the selected projects to the NDP for funding.

¶11. (SBU) The optics of GOI cooperation with the KRG were quite positive. The KRG hosted the conference in Erbil and the new KRG Minister of Planning, Dr. Ali Sindi, attended. KRG officials participated constructively in many of the sessions.

Comment

¶12. (SBU) USAID - through its Tatweer project - has been instrumental in helping the Government formalize and develop the NDP. For the past 18 months, the USAID/Tatweer project has been appointed by Minister Baban as the advisor for all technical committees, and the project has provided critical assistance in helping formalize and draft the NDP. During the preparatory phase of the NDP, several Tatweer subject matter experts were provided to support the development of this plan. During the conference, the Tatweer project provided twenty advisors, who acted as main facilitators for the various working groups. The technical papers were reworked on a nightly basis by the project's staff in preparation for the next day discussions at the conference. (The Erbil conference logistics and costs were shared by the USG, the UN and the GOI.)

¶13. (SBU) With the International Compact with Iraq (ICI) and the International Reconstruction Fund Facility for Iraq (IRFFI) both winding down (septel), and with the GOI singularly focused on the upcoming election and political transition, the UN and many other international partners see the NDP as the most comprehensive articulation of Iraq's development priorities. At the same time, many partners remain concerned as to how much GOI interagency support the NDP has, how it ties into the budget process, and how the international partners can engage with the GOI on politically sensitive topics such as governance and corruption. There is also no clear indication as to the level of support the NDP will have in the next administration after the election and the political will to carry it forward. We will continue to closely monitor and support all GOI efforts at articulating its development priorities - and continue to work with the UN, World Bank, and other partners here in supporting the GOI to implement those priorities.

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